

## Message Text

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ORIGIN STR-04

INFO OCT-01 NEA-10 IO-13 ISO-00 STRE-00 FEA-01 AGRE-00  
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01  
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01  
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02  
OMB-01 AF-08 ARA-06 EA-07 EUR-12 /131 R

DRAFTED BY STR/SLLANDE:TK  
APPROVED BY STR/SLLANDE  
EB/OT/GCP/RREIS  
NEA/INS/JGRAHAME  
COMM/LMURPHY (INFO)  
TREAS/SSCHINDLER (INFO)  
LABOR/HFIEKOWSKY (INFO)  
AGRI/RHARPER (INFO)  
ITC/AALPER (INFO)  
-----191221Z 115351 /15  
R 180207Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY NEW DELHI  
INFO USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: IN, MTN

SUBJECT: TROPICAL PRODUCTS CONSULTATIONS - INDIA

REF: MTN GENEVA 1454

1. STEPHEN L. LANDE, ASSISTANT STR, MET WITH PREM KUMAR,  
JOINT SECRETARY OF MINISTRY OF COMMERCE, IN NEW DELHI,  
MARCH 4 - TO DISCUSS TROPICAL PRODUCTS. PREM KUMAR RE-  
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VIEWED THE TROPICAL PRODUCT BIDDING IN MUCH THE SAME WAY  
AS AMBASSADOR LALL DID IN GENEVA DURING DISCUSSION REFERRED  
TO IN REFTEL. HOWEVER, HE POINTED OUT THAT GOI HAS CAL-  
CULATED THAT THEIR REQUEST LIST OF U.S. WAS WORTH \$512  
MILLION RUPEES IN 1974 TRADE. U.S. MADE NO OFFER ON \$111  
MILLION RUPEES. \$36 MILLION RUPEES OF U.S. OFFER ACTUALLY  
REFLECTS PRODUCTS WHERE INDIA WILL SEE THEIR PREFERENTIAL

MARGIN ERODED. FINALLY \$365 MILLION RUPEES HAVE VALUE TO INDIA ONLY BECAUSE INDIA IS EXCLUDED FROM OUR GSP COVERAGE DUE TO THE COMPETITIVE NEED LIMITATIONS. THE INDIANS DO NOT UNDERSTAND WHY I SUIH A IASE THEY SHTULD BE FORCED TO GIVE U.S. CONTRIBUTIONS SINCE EACH DC WAS UNDER OBLIGATION TO INSTITUTE GSP SYSTEMS WHICH WERE OF BENEFIT TO DEVELOPING COUNTRIES ON A NON-RECIPROCAL BASIS.

2. KUMAR AGAIN INDICATED THAT INDIA HAD RESPONDED TO TWO OF OUR FOUR REQUESTS. SPECIFICALLY, THEY HAVE RATIONALIZED THEIR SYSTEM OF MICA EXPORTS. THEY UNDERSTAND THAT U.S. INDUSTRY IS SATISFIED. SECONDLY, BY ELIMINATING BRITISH PREFERENCES PER OUR REQUEST, THEY HAVE IMPROVED ACCESS ON \$143 MILLION RUPEES WORTH OF U.S. EXPORTS BASED ON APRIL 1974 - MARCH 1975 TRADE. APRIL 1975 - MARCH 1976 TRADE IS EQUIVALENT TO \$165 MILLION RUPEES. THEY SAID THEY COULD NOT DO ANYTHING ON ASSURING ACCESS TO GOATSKINS FOR THE U.S. VIS-A-VIS DOMESTIC SUPPLIERS. HOWEVER, THEY MAINTAINED THAT THERE WAS NO FAVORITISM TOWARD EASTERN EUROPEAN SUPPLIERS IN ALLOCATING SHIPMENTS FOR EXPORT. MARKET FORCES DETERMINE THE ALLOCATION.

3. KUMAR THEN GAVE LANDE A LIST OF INDIAN REQUESTS FOR IMPROVEMENTS IN THE U.S. TROPICAL PRODUCTS OFFER. THE REQUESTS FOR ADDITIONS SEEM TO COVER THOSE ITEMS ON INDIA'S ORIGINAL REQUEST LIST WHICH WERE NOT RESPONDED TO EARLIER. MOST OF THOSE PRODUCTS ON THE IMPROVEMENT LIST WERE PRODUCTS OBVIOUSLY NOT SUITABLE FOR NEGOTIATION IN TROPICAL PRODUCTS, INCLUDING GARLIC, CRABMEAT, MANY KINDS OF FISH, LIMITED OFFICIAL USE

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UNMANUFACTURED TOBACCO, BICYCLE TUBES AND TIRES, BOVINE CATTLE LEATHER AND OTHER LEATHERS, AND LEATHER PRODUCTS. THE INDIANS DID NOT UNDERSTAND THE REASONS FOR NON-INCLUSIO IN THE U.S. OFFER OF SUCH PRODUCTS AS TSUS 145.55 OTHER WALNUTS; 131.30; AN EX-OUT FOR BASMATI RICE; 113.07, FISH PREPARED OR PRESERVED, NSPF.; 182.95 EDIBLE PREPARATIONS EXCEPT GELATIN. IN VIEW OF THEIR RECENT ELIMINATION FROM GSP FOR NEWLY-DESIGNATED BUFFALO LEATHER, THEY REQUESTED THAT WE LOOK AT THAT PARTICULAR ITEM, TSUS 121.55. THEY ALSO REITERATED THEIR REQUEST FOR A FORMULA CUT ON THE JUTE PRODUCTS.

4. THE INDIANS PROMISED TO PROVIDE MORE INFORMATION ON THE NUMBER OF KNOTS PER SQUARE INCH THAT WILL BE VALUABLE TO THEM IN THE RUG CONCESSION. SPECIFICALLY, THEY WILL BE LOOKING TO DETERMINE, FOR EACH KNOT CATEGORY, WHAT THEIR EXPORTS ARE.

5. A PARTICULARLY HOPEFUL SIGN DURING THE CONSULTATIONS

WAS THEIR REACTION TO THE U.S. REQUEST LIST. ALTHOUGH, KUMAR DID NOT FEEL THAT ANY ADDITIONAL CONCESSIONS WERE NECESSARY, HE INDICATED THAT HIS STAFF HAD BEEN STUDYING U.S. REQUESTS IN THESE AREAS FOR CONCESSIONS. FIRST, WE WERE ASSURED THAT THE RED BOOK COULD BE MODIFIED. ALTHOUGH THE RED BOOK WAS PUBLISHED ONLY ONCE A YEAR, NOTHING PREVENTED INDIA FROM IMPLEMENTING CONCESSIONS IMMEDIATELY, EVEN AFTER PUBLICATION. HE POINTED OUT THAT THERE WERE

FOUR CATEGORIES OF PRODUCTS IN THE RED BOOK ON THIS LIST:

(1) IMPORT FREE, MEANING NO LICENSES REQUIRED; (2) GENERAL LICENSING; (3) ALLOWED IN LIMITED QUANTITIES WHERE LICENSES CAN BE REQUESTED; AND (4) COMPLETELY BANNED. KUMAR REQUESTED MORE INFORMATION ON OUR REQUEST FOR ARTIFICIAL RESINS, WANTING TO KNOW SPECIFICALLY WHAT WE WERE INTERESTED IN. ON VEGETABLE PROTEINS, KUMAR WAS INTERESTED IN WHAT THEY WERE USED FOR. IF THEY WERE USED AS LIMITED OFFICIAL USE

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NUTRITIONAL SUPPLEMENTS, IT WOULD BE VERY DIFFICULT TO GIVE A CONCESSION; HOWEVER, IF THEY WERE USED FOR MEDICINES, IT MIGHT BE POSSIBLE TO GIVE A CONCESSION.

6. WOULD APPRECIATE IF EMBASSY WOULD CHECK TO SEE IF INDIANS' NOTES ON CONVERSATION WERE SIMILAR TO OUR OWN; AND, SPECIFICALLY, IF ANY ADDITIONAL INFORMATION IS REQUIRED OF THE UNITED STATES. PLEASE RESPOND, ASAP.

7. EMBASSY AND MTN DEL ALSO MIGHT INFORM INDIANS THAT A CHECK OF THE 1975 AND 1976 TARIFF SCHEDULES OF THE U.S. SHOWS NO TSUS 113.07. U.S. OFFER INCLUDES TSUS 113.50, FISH PREPARED OR PRESERVED, NSPF, IN OIL. WOULD LIKE INDIANS TO LOOK AT EMBASSY COPY OF LATEST TSUS TO SEE EXACTLY WHAT PRODUCTS INDIA IS INTERESTED IN, IN TSUS 113.07 THAT ARE NOT COVERED BY TSUS 113.50. INDIANS ONLY HAD COPY OF 1972 TSUS.

8. WE WOULD ALSO LIKE AN EMBASSY REPORT ON THE ALMOND SITUATION.  
VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:** Hold (001 Tobacco) added on 4/16/2009 3:39:09 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:07 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 MTN GENEVA 1454  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
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**TAGS:** ETRD, IN, MTN  
**To:** NEW DELHI  
**Type:** TE  
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**Review Markings:**  
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